

Democrat Plan for Lowering Gas Prices? *More Taxes, Higher Prices, Fewer Jobs*

Rhetoric:

“There are steps we can take to ensure the American people don’t fall victim to skyrocketing gas prices over the long term.”

-- President Obama, 4/26/ 11

Reality:

Permanent tax hikes “would make oil and natural gas more expensive for U.S. consumers and likely increase foreign dependence”

-- Congressional Research Service, 3/3/11

➤ ***Increasing energy taxes will NOT lower gas prices or create new jobs:***

- According to the independent CRS, higher energy taxes will increase the cost of producing oil and refining gasoline. These costs would likely be passed on to already struggling consumers in the form of even higher gasoline prices.
- “It won’t decrease gas prices at the pump...” - Senator Begich, 5/11/11.
- “Will it create jobs? No. It will actually hurt job production in the United States.” - Senator Landrieu, 5/11/11.

➤ ***Increasing energy taxes will decrease domestic production of oil and increase foreign dependence:***

- Repeal of the Section 199 deduction for domestic energy companies and other tax increases will reduce the competitiveness of domestic energy production and refining operations, which will result in greater reliance on imported oil and gasoline.
- Foreign-owned refineries operating in the U.S. would still benefit from the manufacturing deduction while private U.S. energy companies would no longer receive the deduction.
- Foreign energy companies could gain a global competitive advantage from the Democrats’ proposal to raise taxes on large U.S.-based oil and gas companies developing resources abroad.

➤ ***Increasing energy taxes will destroy jobs and slow economic growth:***

- According to an economic study published last year, tax increases similar to those in the Democrat plan could destroy 154,000 jobs, cost \$68 billion in lost wages nationwide, and reduce U.S. economic output by \$341 billion.